



# Department of Justice

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## **DEPARTMENT OF DEFENSE CIVILIAN EMPLOYEE** **ARRESTED FOR EMBEZZLEMENT SCHEME**

WASHINGTON – Jesse D. Lane, Jr., a Department of Defense (DOD) civilian employee, was arrested in Seattle, Wash., after being indicted by a grand jury in the Central District of California on one count of conspiracy, nine counts of honest services wire fraud, and one count obstruction of justice, Assistant Attorney General Alice S. Fisher of the Criminal Division announced today.

According to court filings, Lane and his co-conspirators were members of the 223<sup>rd</sup> Finance Detachment, a unit of the California National Guard that processes pay for Army National Guard members, and were deployed together to Iraq and Kuwait from March 2004 until February 2005, when they returned to their home drilling post in Compton, Calif. Beginning in March 2005, and continuing through December 2005, Lane accessed a DOD pay-processing computer system and inputted over \$320,000 in unauthorized DOD pay and entitlements for himself and his co-conspirators. In return, Lane's co-conspirators kicked back at least \$150,000 of the money they received to Lane.

Lane faces a maximum penalty of five years in prison for conspiracy, 20 years in prison for honest services wire fraud, 10 years for obstruction of justice, three years of supervised release, and a fine of \$250,000. He presently remains released on bond.

On Nov. 13, 2006, Lane's co-conspirators Jennifer Anjakos of Chula Vista, Calif., Lomeli Chavez of Oceanside, Calif., and Derryl Hollier and Luis Lopez of Los Angeles, each pleaded guilty to one count of conspiracy to commit wire fraud on related charges arising from this scheme in the U.S. District Court for the Central District of California in Los Angeles. Their sentencing date has been set for April 30, 2007.

These cases are being prosecuted by trial attorneys James A. Crowell IV and John P. Pearson of the Public Integrity Section of the Criminal Division, which is headed by Acting Section Chief Edward C. Nucci. These cases are being investigated by the Army Criminal Investigations Division, Internal Revenue Service Criminal Investigation, and the FBI in support of the Justice Department's National Procurement Fraud Task Force and the International Contract Corruption Initiative. The prosecution has received assistance from the California National Guard.

The National Procurement Fraud Initiative was announced by Deputy Attorney General Paul J. McNulty in October 2006, and is designed to promote the early detection, identification, prevention and prosecution of procurement fraud associated with the increase in contracting activity for national security and other government programs. As part of this initiative, the Deputy Attorney General has created the National Procurement Fraud Task Force, which is chaired by Assistant Attorney General Fisher.

The details contained in an indictment are allegations. The defendant is presumed to be innocent unless and until proven guilty beyond a reasonable doubt in a court of law.

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